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DEPARTMENT OF STATE
WASHINGTON



March 16, 1949

24189

MEMORANDUM

To: Assistant Director
Office of Reports and Estimates
Central Intelligence Agency
Washington, D.C.

Subject: IM-132. Selected Data Assembled for the
Harmon Committee of the Joint Chiefs of
Staff.

1. The Intelligence organization of the Department of State does not concur in subject report. Statement of dissent is attached.

2. Three copies of your memorandum of 23 February are returned herewith.

For the Special Assistant:

MERRITT B. BOOTH

Atts.

State Dept. declassification & release instructions on file

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DISSENT FROM IM-132

1. The figures in the report do not appear to be substantiated by available evidence. A check of selected items included in Appendix A reveals discrepancies as follows:

2. Parts of the report that deal with the U.S.S.R. appear to be based in large measure on uncritical use of fragmentary plant information and/or on reports of questionable reliability. For the following reasons it is believed that this approach to the problem is likely to lead to erroneous results.

WE (a) U.S.S.R. machine tool production was estimated at 25,000 to 50,000 units in work sheets for the report. The formal version gives 22,500 metric tons. We estimate production at 90,000 - 95,000 units. We have no estimate of machine tools output in tons and do not know the method used to convert from units to tons.

WE (b) The report gives the Soviet Zone of Germany production of machine tools as nil. This runs counter to all information available to us which indicates substantial capacity still exists in Eastern Germany despite withdrawals.

WE (c) U.S.S.R. Chemicals: We have no estimates of output of the chemicals listed, but note that in some cases (e.g. soda ash) the report figure is less than the amount produced by the U.S.S.R. almost twenty years ago, while in other cases (e.g. caustic soda), the report figure is above the 1950 plan.

WE (d) French Benzol: An estimate based on official figures for 1948 is 61,600 m. tons as compared with the report estimate of 80,900 m. tons.

WE (e) French Petroleum: 1948 production of crude oil is estimated as 52,000 m. tons compared with the report estimate of 74,200.

WE (f) Swedish Soda Ash: Official statistics indicate that in 1945 production was 2,272 tons. The report has a 1948 estimate of no production.

WE (g) Western Germany Calcium Carbide: With Bizone producing only 333,500 m. tons in 1948, it is quite unlikely that the French Zone with a prewar output of 50,000 tons and a 1947 output of 25,000 tons was able to produce 80,000 tons in 1948, as is indicated by a total of 414,000 given by the report.

WE (h) Western Germany Caustic Soda: Bizone produced 156,000 tons in 1948 and French Zone 8,000 tons in 1947. The report estimate of 216,000 tons is too high.

ignore (i) A complete list of installations that currently produce a given commodity cannot be compiled in most instances. This is particularly true when the commodity is only one of several items produced by a given type of plant (e.g. sulphuric acid by chemical plants; machine-tools by machine-building plants); it is less true when the installation produces primarily a single commodity (e.g. blast furnaces for pig iron) and where the production units are few in number. Wherever an apparently complete list can be compiled, the degree of its completeness is either indeterminate or is estimated on some such basis as an assumed complete list, or in independently derived set of figures on regional output or capacity.

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(4) Regardless of the degree of completeness of any list of installations, the information on particular plants is rarely sufficient to permit making a valid estimate of the current output of the particular plant. For example, even in a favorable case such as blast-furnaces, data on the coefficient of utilization and furnace volume are available for only a few plants -- very likely typical ones.

(5) It is well-known that much of the available plant information on particular installations is inconsistent and that there is often no objective basis for deciding between mutually contradictory raw data. Unfortunately, it is also true that plant information has been accumulated in such a haphazard way that it is often impossible to determine whether reference is being made to an installation that existed before the war, one that was destroyed or evacuated during the war, or a plant that can be safely assumed to be in existence at the present time.

3. Paragraph 2 of Part IV contains certain conclusions which, in addition to being unsupported by adequate evidence, give an exaggerated impression of Soviet weaknesses, i.e.

FF From p. IV 1: "For every fanatical Party member to whom Communism is a religion for which he would gladly give his life, there are thousands of Russian workers and peasants to whom the present regime is merely another form of tyranny."

This sentence grossly exaggerates the ratio between Communists and non-Communists and conveys an impression of serious instability in the Soviet regime. There are 6 million Communists in the Soviet Union and about 100 million persons of voting age. While many Communists cannot be described as "fanatical", having joined the Party primarily to assist their economic futures, and while most of the population have not attempted to enter the Party, which carries mixed blessings, there is no evidence that all, or even a large percentage of the workers and peasants consider the regime "merely another form of tyranny." In 1921 the slogan of the counter-revolution was "Soviets without Commissars," indicating acceptance of the Bolshevik reform program while rejecting Bolshevik dictatorship.

FF From p. IV 1: "Thus the mass of the Soviet people can hardly share in any schemes of conquest or establishment of world Communism that the Kremlin and the Party may foster. Their sincere participation, insofar as the plans included war beyond the boundaries of the homeland, would be no more probable now than it has been throughout Russian history."

This paragraph draws an unsafe conclusion from a distorted picture of Russian history. The conduct of Russian troops in foreign campaigns has historically differed little from that of the troops of other great powers.